



Montana Environmental Trust Group LLC,  
Trustee of the Montana Environmental Custodial Trust  
By Greenfield Environmental Trust Group, Inc., Member  
P.O. Box 1189 Helena, Montana 59624  
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April 24, 2017

**By Electronic Mail**

**For the State of Montana**

Jenny Chambers/Katherine Haque-Hausrath/  
Russ Rowsey  
Montana Department of Environmental Quality

Harley Harris/Greg Mullen  
Montana Department of Justice

**For the United States**

Alan Tenenbaum/Bob Brook  
Environmental Enforcement Section Environment &  
Natural Resources Div. U. S. Department of Justice

Steve Moores  
Senior Attorney US EPA Region 8 (ENF-L)

Deb Thomas  
Deputy Regional Administrator  
US EPA Region 8—Montana Office

Dana Jacobsen  
Department of the Interior Office of the Solicitor

Amy L. Horner  
Department of the Interior Environmental  
Restoration Branch Division of Parks and Wildlife  
Office of the Solicitor

Robert Kirkpatrick  
Deputy Director, Engineering, Fleet, Geospatial  
Services & Sustainable Operations USDA Forest  
Service

**Subject: Fourth Quarter 2016 Financial Statements**

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account;
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and year ending December 31, 2016 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

In addition, as this is the final report for 2016, year-end summaries are provided for the following:

- (1) The East Helena Natural Resources Damage Account
- (2) The Black Pine Natural Resources Damage Account
- (3) The Iron Mountain Natural Resources Damage Account

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Montana Environmental Trust Group, LLC  
Trustee of the Montana Environmental Custodial Trust  
By: Greenfield Environmental Trust Group, Inc., Member



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Name: Jennifer Roberts  
Title: Financial Affairs Manager

Enclosure

cc: Betsy Burns—EPA-8  
Cynthia Brooks—Greenfield  
Joel Chavez – MDEQ  
Lauri Gorton—Greenfield  
Denise Martin – MDEQ  
Nathan McCarthy— Wipfli  
Melody McDonough – Greenfield  
Justin Mosness—Wipfli  
Daryl Reed – MDEQ  
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## Accountant's Compilation Report

To the Trustees and Beneficiaries  
Montana Environmental Trust Group LLC  
Trustee for the Montana Environmental Custodial Trust  
Helena, MT

The Trustees are responsible for the accompanying financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Clean-up Account, the Black Pine Clean-up Account, the Iron Mountain Clean-up Account, the East Helena Natural Resource Damage (NRD) Account, the Black Pine Natural Resource Damage Account, and the Iron Mountain Natural Resource Damage Account (collectively the Custodial Trust), which comprise the statements of financial position—prescribed format basis as of December 31, 2016, and the related statements of activities—prescribed format basis for the quarter and year then ended and for determining that the prescribed format basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the prescribed format basis of accounting in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Custodial Trust's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

### Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking and East Helena Clean-Up Account 2015/2016 Construction Budget supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Montana Environmental Trust Group LLC.

*Wipfli LLP*

Wipfli LLP  
April 24, 2017  
Helena, MT

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 170,086.48
Due from other cost centers	<u>18,125.40</u>
Total current assets	188,211.88

Investments, Pershing Advisory Solutions

6,047,182.62

Total assets

\$ 6,235,394.50

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 32,293.91
Due to other cost centers	<u>-</u>
	32,293.91

Net assets

6,203,100.59

Total net assets and liabilities

\$ 6,235,394.50

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 19,719.87	\$ 108,321.00			
Unrealized gains (losses)	(61,456.70)	(33,400.15)			
Proceeds from Sale of Assets	-	89,881.38			
Total revenues (losses)	(41,736.83)	164,802.23			
Expenses:					
1.A Financial Affairs					
1.A.1 Outside Financial Services	6,253.65	26,675.87	\$ 36,000.00	\$ (9,324.13)	74.10%
1.C Property Taxes					
1.C.1 East Helena	42,875.12	87,981.97	166,300.00	(78,318.03)	52.91%
1.C.2 UBMC-Mike Horse	1,811.43	3,498.82	3,500.00	(1.18)	99.97%
1.C.3 Black Pine	1,567.68	3,777.90	7,300.00	(3,522.10)	51.75%
1.C.4 Iron Mountain	131.98	265.10	400.00	(134.90)	66.28%
1.C Property Taxes Total	46,386.21	95,523.79	177,500.00	(81,976.21)	53.82%
1.F Site Security					
1.F.1 East Helena	3,379.00	27,458.16	52,900.00	(25,441.84)	51.91%
1.F.2 UBMC-Mike Horse	19.75	25,325.00	53,600.00	(28,275.00)	47.25%
1.F.3 Black Pine	5,251.80	20,259.58	21,000.00	(740.42)	96.47%
1.F.4 Iron Mountain	-	-	1,400.00	(1,400.00)	0.00%
1.F Site Security Total	8,650.55	73,042.74	128,900.00	(55,857.26)	56.67%
1.G Insurance					
1.G.1 Commercial General Liability	-	47,265.00	54,600.00	(7,335.00)	86.57%
1.G.2 Vehicle-Equipment Insurance	-	8,674.00	9,900.00	(1,226.00)	87.62%
1.G.3 Property Insurance	-	15,885.61	25,900.00	(10,014.39)	61.33%
1.G Insurance Total	-	71,824.61	90,400.00	(18,575.39)	79.45%

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	1,163.35	1,370.85	3,500.00	(2,129.15)	39.17%
1.H.2 Records Segregation Costs	-	-	1,400.00	(1,400.00)	0.00%
1.H.3 GETG Professional Fees	1,289.75	5,167.00	9,707.00	(4,540.00)	53.23%
1.H.4 Water Rights	646.00	1,994.00	3,200.00	(1,206.00)	62.31%
1.H Trust Legal Affairs Total	3,099.10	8,531.85	17,807.00	(9,275.15)	47.91%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	-	52,307.59	54,900.00	(2,592.41)	95.28%
1.K Property Sales					
1.K.1 East Helena	885.00	39,514.91	48,937.00	(9,422.09)	80.75%
1.K.4 Iron Mountain	-	-	4,800.00	(4,800.00)	0.00%
1.K Property Sales Total	885.00	39,514.91	53,737.00	(14,222.09)	73.53%
1.L Trustee Costs					
1.L.1 Trustee Fees	11,762.50	31,909.25	34,100.00	(2,190.75)	93.58%
1.L.2 Trustee Expenses	-	187.43	2,500.00	(2,312.57)	7.50%
1.L Trustee Costs Total	11,762.50	32,096.68	36,600.00	(4,503.32)	87.70%
Total expenses	77,037.01	399,518.04	595,844.00	\$ (196,325.96)	67.05%
Change in net assets	(118,773.84)	(234,715.81)	\$ (595,844.00)		
Net assets, beginning of period	6,321,874.43	6,437,816.40			
Net assets, end of period	\$ 6,203,100.59	\$ 6,203,100.59			

**Montana Environmental Custodial Trust**

**East Helena Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 2,286,857.08
Accounts receivable	37,290.95
Due from other cost centers	<u>5,000.00</u>
Total current assets	2,329,148.03

Investments, Pershing Advisory Solutions

50,899,822.87

Total assets

\$ 53,228,970.90

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,932,486.21
Retention hold-back payable	683,905.33
Due to other cost centers	<u>272.46</u>
Total current liabilities	3,616,664.00

Net assets

49,612,306.90

Total net assets and liabilities

\$ 53,228,970.90

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
Revenues:					
Income					
Agricultural Tenants	\$ 3,807.00	\$ 3,807.00			
Sale of Assets	5,000.00	11,750.00			
Slag Pile	19,712.00	108,527.00			
Income Total	28,519.00	124,084.00			
Investment activity, net of fees	668,763.40	1,810,950.13			
Unrealized gains (losses)	(773,126.56)	(361,588.06)			
Total revenues (losses)	(75,844.16)	1,573,446.07			
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	2,705.15	43,004.65	\$ 166,300.00	\$ (123,295.35)	25.86%
Total 2.A · Water Treatment Plant	2,705.15	43,004.65	166,300.00	(123,295.35)	25.86%
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	24,313.37	90,614.52	134,500.00	(43,885.48)	67.37%
2.B.2 · Office Operations	69.80	2,024.46	13,000.00	(10,975.54)	15.57%
2.B.3 · Safety	986.70	3,107.80	33,900.00	(30,792.20)	9.17%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Site Office	871.67	7,089.17	9,500.00	(2,410.83)	74.62%
Total 2.B · General Site Operations	26,241.54	102,835.95	210,900.00	(108,064.05)	48.76%
2.C · Waste Disposal					
2.C.1 · HDS	-	-	1,000.00	(1,000.00)	0.00%
2.C.2 · Contaminated Debris	-	-	6,000.00	(6,000.00)	0.00%
2.C.3 · Other	93.20	1,131.00	6,300.00	(5,169.00)	17.95%
Total 2.C · Waste Disposal	93.20	1,131.00	13,300.00	(12,169.00)	8.50%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%



**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.E · Tenants					
2.E.4 · Other	-	-	5,700.00	(5,700.00)	0.00%
Total 2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	-	924.13	2,000.00	(1,075.87)	46.21%
2.F.5 · CAMU O&M	3,217.50	18,274.63	38,400.00	(20,125.37)	47.59%
2.F.7 · CAMU Leachate Treatment System	-	-	34,000.00	(34,000.00)	0.00%
Total 2.F · RCRA Compliance	3,217.50	19,198.76	76,400.00	(57,201.24)	25.13%
2.I · Risk Assessment					
2.I.1 · HHRA	22,065.34	22,065.34	25,000.00	(2,934.66)	88.26%
2.I.2 · BERA	2,453.43	2,453.43	25,000.00	(22,546.57)	9.81%
Total 2.I · Risk Assessment	24,518.77	24,518.77	50,000.00	(25,481.23)	49.04%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	-	-	29,000.00	(29,000.00)	0.00%
2.J.1b · SPHC IM Construction	-	-	15,000.00	(15,000.00)	0.00%
2.J.1c · SPHC IM O & M	-	-	50,000.00	(50,000.00)	0.00%
2.J.1 · SPHC IM Design & Construction	-	-	94,000.00	(94,000.00)	0.00%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	-	-	26,750.00	(26,750.00)	0.00%
2.J.2b · ET Cover IM Construction	-	-	-	-	0.00%
2.J.2c · ET Cover System O & M	-	-	-	-	0.00%
2.J.2 · ET Cover IM Design & Construction	-	-	26,750.00	(26,750.00)	0.00%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	-	50,000.00	(50,000.00)	0.00%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.2c · Source Removal O & M	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	-	-	50,000.00	(50,000.00)	0.00%

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
For the quarter and year ending December 31, 2016

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.J.4 · IM/RCRA Support					
2.J.4a · IM Work Plan(s)	-	9,925.72	31,500.00	(21,574.28)	31.51%
2.J.4b · Corrective Measures Study	224,539.90	634,707.22	1,339,700.00	(704,992.78)	47.38%
2.J.4d · Controlled Groundwater Area	35,178.80	111,033.85	628,000.00	(516,966.15)	17.68%
2.J.4g · Long-term Planning	157.72	3,024.25	21,000.00	(17,975.75)	14.40%
2.J.4h · Phase II RFI/Soil Characterization	4,821.51	79,292.60	172,300.00	(93,007.40)	46.02%
2.J.4j · Efforts to Avoid MBTA Non-Compliance	-	-	40,000.00	(40,000.00)	0.00%
2.J.4 · IM/RCRA Support	264,697.93	837,983.64	2,232,500.00	(1,394,516.36)	37.54%
2.J.5 · Design Management/Execution					
2.J.5a · Management/IM Development	62,555.00	240,695.85	340,000.00	(99,304.15)	70.79%
2.J.5b · Schedule	973.76	3,699.17	41,700.00	(38,000.83)	8.87%
2.J.5c · Financial Affairs and Reporting	6,639.11	26,836.74	57,800.00	(30,963.26)	46.43%
2.J.5d · Sub-contracting	214.47	2,567.90	21,600.00	(19,032.10)	11.89%
2.J.5f · Direct Expenses	1,418.21	10,261.26	26,000.00	(15,738.74)	39.47%
2.J.5h · Project Insurance Premium	-	88,538.64	89,000.00	(461.36)	99.48%
2.J.5j · IM Operations and Support	3,114.38	45,839.38	93,100.00	(47,260.62)	49.24%
2.J.5 · Design Management/Execution	74,914.93	418,438.94	669,200.00	(250,761.06)	62.53%
Total 2.J · RCRA Corrective Action Implementation	339,612.86	1,256,422.58	3,072,450.00	(1,816,027.42)	40.89%
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	21,300.00	(21,300.00)	0.00%
2.K.2 · System Maintenance	-	2,817.27	18,000.00	(15,182.73)	15.65%
Total 2.K · Documents & Records	-	2,817.27	39,300.00	(36,482.73)	7.17%
2.M · CERCLA Compliance	6,030.33	200,625.77	232,600.00	(31,974.23)	86.25%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	7,879.30	27,932.99	45,000.00	(17,067.01)	62.07%
Total 2.N · Financial Affairs	7,879.30	27,932.99	45,000.00	(17,067.01)	62.07%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	5,000.00	(5,000.00)	0.00%
2.O.2 · Redevelopment Support	-	-	5,000.00	(5,000.00)	0.00%
2.O.3 · Redevelopment Issues	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
For the quarter and year ending December 31, 2016

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.P · Community Relations					
2.P.1 · General Meetings	-	-	3,000.00	(3,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	1,477.31	3,000.00	(1,522.69)	49.24%
2.P.3 · East Helena Website	-	5,704.50	7,500.00	(1,795.50)	76.06%
2.P.5 · Other Community Relations	750.00	14,000.00	35,000.00	(21,000.00)	40.00%
Total 2.P · Community Relations	750.00	21,181.81	48,500.00	(27,318.19)	43.67%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	912.00	3,520.50	30,000.00	(26,479.50)	11.74%
2.R.2 · In-House Legal Services	2,310.00	33,746.00	82,100.00	(48,354.00)	41.10%
Total 2.R · Legal Support Total	3,222.00	37,266.50	112,100.00	(74,833.50)	33.24%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	12,420.83	58,631.40	81,900.00	(23,268.60)	71.59%
2.T.6 · Compliance Manager	1,596.00	16,185.23	56,100.00	(39,914.77)	28.85%
2.T.7 · Operations Manager	6,142.25	80,975.00	98,600.00	(17,625.00)	82.12%
2.T.8 · Operations Support Specialist	1,413.75	13,355.00	36,000.00	(22,645.00)	37.10%
2.T.9 · Project Controls/Fin Affairs Coordinator	20,202.00	62,359.25	153,900.00	(91,540.75)	40.52%
2.T.11 · Trustee Mgmt. EH Clean Up	25,401.50	137,553.75	379,400.00	(241,846.25)	36.26%
2.T.12 · Trustee Land Use & Re-use	4,366.00	13,747.00	49,100.00	(35,353.00)	28.00%
2.T.13 · Trustee Travel and Directs	-	6,420.24	35,000.00	(28,579.76)	18.34%
Total 2.T · Trustee Management & Support Total	71,542.33	389,226.87	890,000.00	(500,773.13)	43.73%
Total 2016 East Helena expenses	485,812.98	2,126,162.92	\$ 4,989,350.00	\$ (2,863,187.08)	42.61%
2015/2016 East Helena Construction expenses*	2,288,299.42	10,552,278.15			
Change in net assets	(2,849,956.56)	(11,104,995.00)			
Net assets, beginning of period	52,462,263.46 <sup>(1)</sup>	60,717,301.90			
Net assets, end of period	\$ 49,612,306.90	\$ 49,612,306.90			

\*2015/2016 (two-year) approved budget; see detail on page 10

(1) 9/30/2016 net assets restated by \$117,451.58 for expenses incurred in 3rd Q 2016 but not received and recorded until after distribution of 3rd quarter 2016 financial statements

**Montana Environmental Custodial Trust**  
**Summary East Helena Clean-up Account**

SUMMARY STATEMENTS OF ACTIVITIES  
*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Rental/Lease Income	\$ 28,519.00	\$ 124,084.00			
Investment activity, net of fees	668,763.40	1,810,950.13			
Unrealized gains (losses)	(773,126.56)	(361,588.06)			
Total revenues (losses)	(75,844.16)	1,573,446.07			
Expenses:					
2.A · Water Treatment Plant	2,705.15	43,004.65	\$ 166,300.00	\$ (123,295.35)	25.86%
2.B · General Site Operations	26,241.54	102,835.95	210,900.00	(108,064.05)	48.76%
2.C · Waste Disposal	93.20	1,131.00	13,300.00	(12,169.00)	8.50%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%
2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance	3,217.50	19,198.76	76,400.00	(57,201.24)	25.13%
2.I · Risk Assessment	24,518.77	24,518.77	50,000.00	(25,481.23)	49.04%
2.J · RCRA Corrective Action Implementation	339,612.86	1,256,422.58	3,072,450.00	(1,816,027.42)	40.89%
2.K · Documents & Records	-	2,817.27	39,300.00	(36,482.73)	7.17%
2.M · CERCLA Compliance	6,030.33	200,625.77	232,600.00	(31,974.23)	86.25%
2.N · Financial Affairs	7,879.30	27,932.99	45,000.00	(17,067.01)	62.07%
2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%
2.P · Community Relations	750.00	21,181.81	48,500.00	(27,318.19)	43.67%
2.R · Legal Support	3,222.00	37,266.50	112,100.00	(74,833.50)	33.24%
2.T · Trustee Management & Staff	71,542.33	389,226.87	890,000.00	(500,773.13)	43.73%
Total 2016 East Helena expenses	485,812.98	2,126,162.92	\$ 4,989,350.00	\$ (2,863,187.08)	42.61%
2015/2016 East Helena Construction expenses*	2,288,299.42	10,552,278.15			
Change in net assets	(2,849,956.56)	(11,104,995.00)			
Net assets, beginning of period	52,462,263.46 <sup>(1)</sup>	60,717,301.90			
Net assets, end of period	\$ 49,612,306.90	\$ 49,612,306.90			

\*2015/2016 (two-year) approved budget; see detail on page 10

(1) 9/30/2016 net assets restated by \$117,451.58 for expenses incurred in 3rd Q 2016 but not received and recorded until after distribution of 3rd quarter 2016 financial statements

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**2015/2016 Construction Budget**

STATEMENTS OF ACTIVITIES

*For the quarter and 24 month period ending December 31, 2016*

	4th QTR 2016	January 1, 2015 - December 31, 2016 YTD	Approved Budget	Variance	Percentage of Budget
2015/2016 Construction Expenses:					
2.F · RCRA Compliance					
2.F.7 · CAMU Leachate Treatment System	\$ -	\$ -	\$ -	\$ -	0.00%
Total 2.F · RCRA Compliance	-	-	-	-	0.00%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1b · SPHC IM Construction	1,798,521.59	10,085,342.05	12,135,000.00	(2,049,657.95)	83.11%
2.J.1 · SPHC IM Design & Construction	1,798,521.59	10,085,342.05	12,135,000.00	(2,049,657.95)	83.11%
2.J.2 · ET Cover System IM					
2.J.2b · ET Cover IM Construction	489,584.43	7,708,488.48	8,000,000.00	(291,511.52)	96.36%
2.J.2 · ET Cover IM Design & Construction	489,584.43	7,708,488.48	8,000,000.00	(291,511.52)	96.36%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	23,895.65	50,000.00	(26,104.35)	47.79%
2.J.3b · Source Removal Construction	193.40	889,986.97	900,000.00	(10,013.03)	98.89%
2.J.3 · Source Removal Design & Construction	193.40	913,882.62	950,000.00	(36,117.38)	96.20%
2015/2016 East Helena Construction Expenses	<u>\$ 2,288,299.42</u>	<u>\$ 18,707,713.15</u>	<u>\$ 21,085,000.00</u>	<u>\$ (2,377,286.85)</u>	<u>88.73%</u>

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 92,292.99
Prepaid expenses - DEQ	26,799.65
Due from other cost centers	-
Total current assets	<u>119,092.64</u>

Investments, Pershing Advisory Solutions

5,052,391.45

Total assets

\$ 5,171,484.09

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 160,693.36
Due to other cost centers	22,552.94
Total current liabilities	<u>183,246.30</u>

Net assets

4,988,237.79

Total net assets and liabilities

\$ 5,171,484.09

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 51.91	\$ 133.42			
Investment income, net of fees	15,886.43	99,515.50			
Unrealized gains (losses)	(53,295.51)	(37,144.65)			
Total revenues (losses)	(37,357.17)	62,504.27			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	2,796.21	15,929.95	\$ 27,469.00	\$ (11,539.05)	57.99%
4.DEQ Direct & Indirect Expenses	677.72	3,780.17	7,676.00	(3,895.83)	49.25%
4.1 Total MT DEQ Expenses	3,473.93	19,710.12	35,145.00	(15,434.88)	56.08%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	16,454.05	73,346.30	74,500.00	(1,153.70)	98.45%
WTP Supplies	6,086.05	42,831.71	46,100.00	(3,268.29)	92.91%
4.B Material, Supplies & Chemicals	22,540.10	116,178.01	120,600.00	(4,421.99)	96.33%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	26,509.75	71,204.00	72,500.00	(1,296.00)	98.21%
1-62102-02 GETG Trustee Oversight	6,073.00	19,923.75	20,000.00	(76.25)	99.62%
1-62102-22 WTP Technician/Operator	20,997.69	107,582.83	140,000.00	(32,417.17)	76.84%
1-62102-42 Hydrometrics Water Balance Study	-	1,240.89	2,000.00	(759.11)	62.04%
4.C Operating Labor	53,580.44	199,951.47	234,500.00	(34,548.53)	85.27%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	10,874.52	12,995.02	13,250.00	(254.98)	98.08%
1-62102-41 Storm Water Regulatory Compliance	-	-	1,500.00	(1,500.00)	0.00%
1-62102-204 Health & Safety Compliance	-	-	2,000.00	(2,000.00)	0.00%
1-62891 Handyman Charges	7,098.14	7,434.14	7,500.00	(65.86)	99.12%
1-62102-51 Wipfli Accounting	790.40	4,730.60	5,000.00	(269.40)	94.61%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	18,763.06	25,159.76	30,450.00	(5,290.24)	82.63%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	3,409.25	14,058.75	11,000.00	3,058.75	127.81%
1-62106-02 Linda Tangen Data Validation (O&M)	1,139.40	2,844.82	3,500.00	(655.18)	81.28%
1-62106-03 Energy Lab Testing (Repositories)	-	-	2,500.00	(2,500.00)	0.00%
4.E WTP Operations - Analytical	4,548.65	16,903.57	17,000.00	(96.43)	99.43%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	652.00	6,086.64	10,900.00	(4,813.36)	55.84%
1-62371 Telephone	856.25	3,808.21	6,200.00	(2,391.79)	61.42%
1-62601 Electricity	9,786.72	48,952.50	51,800.00	(2,847.50)	94.50%
1-62605 Water & Sewage	200.00	1,000.00	2,500.00	(1,500.00)	40.00%
1-62606 Garbage & Trash	430.30	1,521.20	1,800.00	(278.80)	84.51%
1-62607 Propane	1,148.50	5,366.22	16,300.00	(10,933.78)	32.92%
4.F WTP Operations - Utilities	13,073.77	66,734.77	89,500.00	(22,765.23)	74.56%
4.H Projects & Construction					
1-62102-01 Unforeseen Breakdowns and Repair Response Funds	3,220.00	20,000.00	20,000.00	-	100.00%
1-62102-52 UBMC Cell 7 Feasibility Study	-	9,595.00	10,000.00	(405.00)	95.95%
1-63113-03 Spare Parts	29,369.50	79,883.03	83,000.00	(3,116.97)	96.24%
1-63113-20 Finalize O&M Manual	-	-	-	-	0.00%
1-63113-31 Replace Bearings, Mechanical Seals & Laser Align CMF & CIP Pumps	-	2,002.18	5,700.00	(3,697.82)	35.13%
1-63113-32 Purchase replacement non-metallic Goulds CIP Pump		18,321.00	18,600.00	(279.00)	98.50%
1-63113-37 Upper Seep Expansion (Remediation Construction Cost Reimbursement)	-	-	-	-	0.00%
1-63113-38 Pretreatment Pond/Redundant Conveyance line Costs to Support CECRA Remediation	111,034.06	111,034.06	150,000.00	(38,965.94)	74.02%
1-63113-39 Cell 4 Reconstruction to Support MDEQ Construction	-	-	-	-	0.00%
1-63113-40 Remediation prep tasks	2,500.00	24,764.01	24,800.00	(35.99)	99.85%
1-63113-40 Trust Support for Remediation Activities	28,838.57	69,647.06	70,356.00	(708.94)	98.99%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	-	-	0.00%
1-62102-44 Hydrometrics - Remediation Oversight (Upper Seep Expansion)	-	-	-	-	0.00%
1-62102-46 Hydrometrics - Remediation Oversight (MH Repository Removal)	-	-	-	-	0.00%



**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
1-62102-45 Hydrometrics - Install Monitoring Well @ Carbonate Repository	-	-	-	-	0.00%
1-62102-47 Hydrometrics - Repair Two Monitoring Wells @ Carbonate Repository	-	868.38	1,000.00	(131.62)	86.84%
1-63113-304 - Mike Horse Remediation Support	-	9,361.50	9,480.00	(118.50)	98.75%
1-63113-43 - Fabricate Bucket Decon Area for 924 Loader	-	7,252.60	7,500.00	(247.40)	96.70%
1-63113-46 - Install PLC Remote I/O and Ether Net Cable in Reagent Control Cabinet	-	-	-	-	0.00%
1-63113-47 - Purchase Replacement 17.5X25 Tires for 924 Loader	3,998.48	3,998.48	4,200.00	(201.52)	95.20%
4.H Projects & Construction	178,960.61	356,727.30	404,636.00	(47,908.70)	88.16%
4.2 Total Other Expenses	291,466.63	781,654.88	896,686.00	(115,031.12)	87.17%
Total expenses	294,940.56	801,365.00	931,831.00	(130,466.00)	86.00%
Change in net assets	(332,297.73)	(738,860.73)	\$ (931,831.00)	\$ 130,466.00	79.29%
Net assets, beginning of period	5,320,535.52 (1)	5,727,098.52			
Net assets, end of period	<u>\$ 4,988,237.79</u>	<u>\$ 4,988,237.79</u>			

(1) 2015 net assets restated by \$975.00 for expenses incurred in 2015 but not received and recorded until after distribution of 4th quarter 2015 financial statements, and 9/30/2016 net assets restated by \$30.00 for expenses incurred in 3rd Q 2016 but not received and recorded until after distribution of 3rd quarter 2016 financial statements

# Montana Environmental Custodial Trust

## Black Pine Clean-up Account

### STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

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#### ASSETS

##### Current assets

Cash, First Interstate Bank	\$ 6,604.56
Money Market	75,878.73
Prepaid expenses - DEQ	<u>1,503,291.55</u>
Total current assets	1,585,774.84

##### Investments, Pershing Advisory Solutions

<u>11,619,697.78</u>
<u><u>\$ 13,205,472.62</u></u>

##### Total assets

#### LIABILITIES AND NET ASSETS

##### Liabilities

Accounts payable	\$ 2,292.89
Due to other cost centers	<u>-</u>
Total current liabilities	2,292.89

##### Net assets

<u>13,203,179.73</u>
<u><u>\$ 13,205,472.62</u></u>

##### Total net assets and liabilities

**Montana Environmental Custodial Trust**  
**Black Pine Clean-up Account**  
STATEMENTS OF ACTIVITIES  
For the quarter and year ending December 31, 2016

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 3,623.58	\$ 8,288.06			
Interest Income - MM	23.90	88.13			
Investment income, net of fees	67,569.12	342,547.24			
Unrealized gains (losses)	(184,187.21)	(136,066.77)			
DEQ - Cost Recovery Funds from USFS	123,508.00	123,508.00			
Total revenues (losses)	10,537.39	338,364.66			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	59.25	\$ 1,000.00	\$ (940.75)	5.93%
2-2-02 Trustee Services/Expenses-GETG	333.00	2,212.25	5,000.00	(2,787.75)	44.25%
2-2-03 Mine Maintenance/Security	4,557.00	16,926.00	16,926.00	-	100.00%
2-2-04 Generator Maintenance	-	-	4,000.00	(4,000.00)	0.00%
2-2-51 Accounting Services	296.40	1,227.40	5,000.00	(3,772.60)	24.55%
2-62401 Mileage	537.30	2,093.07	2,350.60	(257.53)	89.04%
2-62405 Snowmobile	157.50	915.00	907.50	7.50	100.83%
5.1.1 Utilities					
2-62601 Electricity	1,610.19	6,847.35	6,500.00	347.35	105.34%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	1,610.19	6,847.35	9,340.00	(2,492.65)	73.31%
5.1 Trustee Costs Total	7,491.39	30,280.32	44,524.10	(14,243.78)	68.01%
5.2 DEQ Costs	1,380,615.24	2,835,804.33 <sup>(1)</sup>	6,828,248.89	(3,992,444.56)	41.53%
Total expenses	1,388,106.63	2,866,084.65	6,872,772.99	(4,006,688.34)	41.70%
Change in net assets	(1,377,569.24)	(2,527,719.99)	\$ (6,872,772.99)	\$ 4,006,688.34	36.78%
Net assets, beginning of period	14,580,748.97	15,730,899.72			
Net assets, end of period	\$ 13,203,179.73	\$ 13,203,179.73			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs

## Black Pine Mine Custodial Trust Expense Tracking - Prepared by MDEQ

	Personnel	Fringe	Travel	Equipment	Supplies	Contractual	Construction	Other	Total Direct	Indirect	Totals
<b>Budget Request 2016</b>	\$ 92,041.00	\$ 27,613.00	\$ 13,850.00	\$ 5,000.00		\$ 626,500.00	\$ 6,003,000.00	\$ 5,925.00	\$ 6,773,929.00	\$ 54,320.00	\$ 6,828,249.00
Jan-Mar 2016	\$ 15,933.61	\$ 5,535.01	\$ 2,792.03	\$ -	\$ -	\$ 72,412.25	\$ 33,414.00	\$ 1,689.03	\$ 131,775.93	\$ 8,863.97	\$ 140,639.90
Apr-Jun 2016	\$ 16,259.63	\$ 5,830.70	\$ 903.48	\$ -	\$ -	\$ 57,101.83	\$ 197,379.96	\$ 16,706.49	\$ 294,182.09	\$ 14,877.30	\$ 309,059.39
July-Sep 2016	\$ 15,323.94	\$ 5,354.97	\$ 319.00	\$ -	\$ 29.15	\$ 19,422.28	\$ 950,502.40	\$ 2,896.03	\$ 993,847.77	\$ 11,642.03	\$ 1,005,489.80
Oct-Dec 2016	\$ 15,131.07	\$ 5,668.29	\$ 1,956.98	\$ -	\$ 30.12	\$ 164,143.74	\$ 1,183,294.72	\$ (670.18)	\$ 1,369,554.74	\$ 11,060.50	\$ 1,380,615.24
<b>Expenses 2016</b>	<b>\$ 62,648.25</b>	<b>\$ 22,388.97</b>	<b>\$ 5,971.49</b>	<b>\$ -</b>	<b>\$ 59.27</b>	<b>\$ 313,080.10</b>	<b>\$ 2,364,591.08</b>	<b>\$ 20,621.37</b>	<b>\$ 2,789,360.53</b>	<b>\$ 46,443.80</b>	<b>\$ 2,835,804.33</b>

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

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ASSETS

Current assets

Cash

\$ 1,313.52

Prepaid expenses - DEQ

1,407,925.31

Total current assets

1,409,238.83

Investments, Pershing Advisory Solutions

262,565.78

Total assets

\$ 1,671,804.61

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable

\$ 1,110.00

Net assets

1,670,694.61

Total net assets and liabilities

\$ 1,671,804.61

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year ending December 31, 2016*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 2,988.19	\$ 5,380.14			
Investment income, net of fees	5,553.63	23,215.47			
Unrealized gains (losses)	(5,400.27)	4,289.00			
Total revenues (losses)	3,141.55	32,884.61			
Expenses:					
VI.A Clean-up Activities					
VI.A.1 GETG Trustee Fees	701.00	3,627.75	\$ 7,602.00	\$ (3,974.25)	47.72%
VI.A.2 GETG/Trustee Expenses	-	-	250.00	(250.00)	0.00%
VI.A Total Clean-up Activities	701.00	3,627.75	7,852.00	(4,224.25)	46.20%
VI.C Legal Affairs					
VI.C.1 Outside Counsel	114.00	114.00	2,000.00	(1,886.00)	5.70%
VI.C Total Legal Affairs	114.00	114.00	2,000.00	(1,886.00)	5.70%
VI.D Financial Affairs					
VI.D.1 Wipfli Fees & Expenses	-	-	1,800.00	(1,800.00)	0.00%
VI.D Total Financial Affairs	-	-	1,800.00	(1,800.00)	0.00%
VI.E MDEQ Environmental Actions and Oversight Costs					
VI.E.1 MDEQ Environmental Actions and Oversight Costs	347,206.59	348,454.83	1,751,000.00	(1,402,545.17)	19.90%
VI.E Total MDEQ Environmental Actions and Oversight Costs	347,206.59	348,454.83	1,751,000.00	(1,402,545.17)	19.90%
Total expenses	348,021.59	352,196.58	1,762,652.00	(1,410,455.42)	19.98%
Change in net assets	(344,880.04)	(319,311.97)	\$ (1,762,652.00)	\$ 1,410,455.42	18.12%
Net assets, beginning of period	2,015,574.65	1,990,006.58			
Net assets, end of period	\$ 1,670,694.61	\$ 1,670,694.61			

**Montana Environmental Custodial Trust**  
**East Helena NRD Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

ASSETS	
Current assets	
Cash	\$ -
Total current assets	-
Investments, Pershing Advisory Solutions	686,837.51
Total assets	<u>\$ 686,837.51</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	686,837.51
Total net assets and liabilities	<u>\$ 686,837.51</u>

STATEMENT OF ACTIVITIES

*For the year ending December 31, 2016*

Revenues:	
Investment income	\$ 1,584.71
Total revenues	1,584.71
Expenses:	
Total expenses	-
Change in net assets	1,584.71
Net assets, beginning of period	685,252.80
Net assets, end of period	<u>\$ 686,837.51</u>

**Montana Environmental Custodial Trust**  
**Black Pine NRD Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

ASSETS	
Current assets	
Cash	\$ -
Total current assets	-
Investments, Pershing Advisory Solutions	56,479.88
Total assets	<u>\$ 56,479.88</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	56,479.88
Total net assets and liabilities	<u>\$ 56,479.88</u>

STATEMENT OF ACTIVITIES

*For the year ending December 31, 2016*

Revenues:	
Investment income	\$ 130.32
Total revenues	130.32
Expenses:	
Total expenses	-
Change in net assets	130.32
Net assets, beginning of period	56,349.56
Net assets, end of period	<u>\$ 56,479.88</u>



**Montana Environmental Custodial Trust**

**Iron Mountain NRD Account**

STATEMENT OF FINANCIAL POSITION

*As of December 31, 2016*

ASSETS	
Current assets	
Cash	\$ -
Total current assets	-
Investments, Pershing Advisory Solutions	31,268.58
Total assets	<u>\$ 31,268.58</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	31,268.58
Total net assets and liabilities	<u>\$ 31,268.58</u>

STATEMENT OF ACTIVITIES

*For the year ending December 31, 2016*

Revenues:	
Investment income	\$ 72.15
Total revenues	72.15
Expenses:	
Total expenses	-
Change in net assets	72.15
Net assets, beginning of period	31,196.43
Net assets, end of period	<u>\$ 31,268.58</u>